

Wholesale Food Prices Drop With Slowing Up Of Other Cost Slashing

Hughes Asks Court to Declare Lever Act Unconstitutional

As Attorney for Clothiers and Dry Goods Men He
Argues Anti-Profiteering Law Is an
Invasion of Property Rights

**New York and Chicago
Markets Hit by Decline
in All Staple Lines:
Sugar First to Yield
Merchandise Cuts
Halt Temporarily**

Bill Will Be Introduced at Once to Repeal the President's War Powers

Charles Evans Hughes, acting as a friend of the court and on behalf of the National Association of Clothiers and the National Retail Dry Goods Association, attacked the validity of the Lever act. In the opinion filed in the United States Court of Appeals yesterday.

The brief was filed by Mr. Hughes in New York, from the Western district of New York at Buffalo, and contains against three concerns for violation of the act.

Mr. Hughes says that "one not guilty of fraud, and, so far as he is left as at the prices which buyers are willing to pay." He declares that, with respect to profits the crucial question is this: "Is it reasonable to make it a criminal offense simply to make it a criminal offense for a trader to engage in a reasonable or improper conduct where the transaction is otherwise innocent and there is no category of law to afford defense, so that it is left to the jury to say what is unjust, unreasonable or improper as it may see fit?"

The brief specifies the following facts upon which the Lever act is held to be void:

1. The inhibition of the Fifth and Sixth amendments of the Federal Constitution controls the action of Congress in time of peace as in time of war.
2. The statute is too indefinite to constitute a valid definition of crime.
3. The statute is in violation of the primary class legislation, in violation of the Constitution.
4. Property rights are directly invaded by the attempted enforcement of this invalid statute through criminal proceedings.

"No power to fix prices can be invoked," when Congress does not fix them," says the brief, "and no agency created by Congress has fix them for Mr. Hughes also contends that the Lever act is invalid "because it was enacted in disregard of the fundamental principles of government of legislation creating criminal offenses."

The brief continues: "The government predicates unreasonableness (as to price) upon the excess of price over cost, but it does not attempt to show about profit, or any percentage of profit, either on single transactions or on the business of a department or business, for any period of time. Congress did not attempt to make profit any one should attempt to make in trade or industry. The conclusion is inescapable that the statute sets up no legal standard established it follows that the court is not vested with authority to supply standards which

Retailers Here Assert Reductions Indicate Re- turn of Normal Times

Impressive among the developments in the price situation yesterday was the break in food prices, which featured the wholesale markets in New York and Chicago. Prices of staple foodstuffs hitherto have not only resisted the marked downward trend in other lines of merchandise, but in some instances have registered advances. Prices yesterday on the cereal and provision markets suffered sharp declines. Pork quotations developed the first general drop of many weeks and sugar broke one cent a pound, the maximum drop permitted in one day's trading under existing regulations.

The principal aim of the general reductions in dry goods—to get timid

From The Tribune's Washington Bureau
WASHINGTON, May 21.—The Knox peace resolution, terminating the technical state of war between the United States and Germany and Austria, ending the war powers of the President, repealing war-time legislation and protecting American rights in the war settlement, was sent to President Wilson to-day.

The resolution finally was passed by Congress, when the House of Representatives by a vote of 228 to 139 adopted the Knox substitute for the original peace measure passed by the House. Eighteen Democrats broke away from the Administration leadership and voted for the resolution, while two Republicans voted against it.

Wilson Keeps Prices Up, Say Republicans

Wholesale Prices Drop

The wholesale markets yesterday displayed a general disposition to lower levels. A large part of the day's liquidation in cotton and grains was attributed to the transfer of credits by banking houses in New Orleans and in other reserve centers, evidently in conformity with the request of the Federal Reserve Board.

In the local cotton market May contracts broke almost 400 points, with equally sharp reactions in New Orleans and other markets. The market also reported substantial reactions.

Domestic and foreign metal markets quoted lower prices for spot and futures contracts, silver proving the only exception. The market also reported that Little business was done here in export for immediate delivery.

A significant feature at the stock market was the high register set by all Liberty bond issues, which held their early gains to the close of the

To Send Treaty Back

The vote on the resolution was not sufficient to pass it over the President's veto, which is expected to reach the House some time next week. Warning that the President intends to veto the measure again was voiced in the House during discussion of the resolution-to-day. Secretary of State Coby, Senator Hitchcock and others are expected to press the treaty before a notified Congress that such was Mr. Wilson's intention, and when the measure was called up for final passage to-day, Republican leaders urged adoption primarily as a means of ending the war powers of the Chief Executive.

**Charge Inflation Policy
of Administration Is Be-
ing Continued; Call
It "War Financing"**

The uptown banks, which transact the bulk of the financing of the big and little stores of the retail drygoods section, reported a general and continuing tendency toward loan contractions.

Practically every store in the city, big and little, is advertising special cuts in certain lines, but H. J. disposition to make reductions in all lines is still confined to one or two of the larger stores.

The President's advisers also declared the struggle over the peace resolution. The President will send the Versailles treaty to the Senate when he vetoes the pact. Should he send the treaty to the Senate, public leaders declared that the war will be assigned to the Senate Committee, where it will remain unconsidered until the President has transmitted the stenographic report of the Senate's action on the treaty with Austria and the financial and economic agreements that are part of the Versailles Treaty and which he will not sign. Some there said the treaty was before it last year in Senator Lodge, chairman of the Foreign Relations Committee, declared that the circumstances over which the treaty be considered until the President's election in November. Should the President carry out his plan to veto and veto the resolution he vetoed, the Senate will not vote on it. The peace resolution will go to the House, since the peace measure originated in that body, and the House will act first on the question of ratifying the Versailles Treaty.

The Wilson Administration is charged with continuing a policy of inflation "by which it financed the war" and which is held largely responsible for the increase in the cost of living since 1914, in the report of the banking and currency committee of the Republican National Committee's advisory commission on the new platform, made public here last night.

"In so far as the war period is con-

Movement Overestimated

Retailers, when they can be persuaded to talk for publication, agree that there is a certain disposition on the part of the public to overestimate the extent of the present reductions; and it is repeatedly emphasized that with one or two notable exceptions there have been no drastic cuts in the prices of staple goods.

Lack 25 Votes

The vote to-day showed that the Republicans had twenty-five votes of a sufficient number to pass the measure over the veto and Republican leaders said that the attempt probably will not be made.

Legislation repealing wartime legislation and ending the broad powers given the President during the war already has been prepared by Representative Volstead, of Minnesota, chairman of the Judiciary Committee of the House, and it will be introduced and considered under a special rule as soon as the President's veto of the peace act thins the Senate.

terned," it says, "we merely call attention to the fact, without expressing an opinion as to the wisdom or lack of wisdom of the continuation of this policy since the armistice when the Administration open to severe criticism."

The consequences of "this inflationary war financing" it added, are that:

"It has caused great injury through the consequent rise in the price of goods and services that enter into living costs.

"It has greatly increased the cost of war.

"It has caused serious loss to purchasers of Liberty bonds, who were lulled by the thought that these were investments which, considering their gilt-edged character, were offering fair market rates of interest."

"Continuation of the low Federal Reserve

eratic Senators, which ended in a clash after two hours of heated discussion.

Senator Harris, of Georgia, introduced the resolution, forced the calling of a meeting of the Senate Finance Committee for to-morrow.

He gave the assurance that the committee would report the resolution for immediate passage.

When the Finance Committee is actuated on the Harris measure the Republicans in the Senate will hold a caucus and discuss the legislative program.

The caucus has been called as a result of the demand of a group of Senators, all of whom are Republicans, for the candidacy of Senator Hiram W. Johnson for the Republican Presidential nomination, that Congress not adjourn before the national political conventions in order

On the other hand, it is also the prevailing opinion that there has been for some months past a dangerous disposition on the part of most retailers to specialize on accumulating stocks of goods of the most popular character. It is generally conceded that the retail prices of such articles as silk hosiery, silk shirts and dresses, silk underwear, lingerie, imported hats and costumes, and other specialties, are of course without any disturbance of the normal trade of the country.

This movement toward the ultimate building of a luxury production is regarded by most retailers as a danger, as a sound development leading toward a return to normal trade conditions.

H. A. Saks, president of the Retail Dry Goods Association, said yesterday that he thought the general retail price cutting averaged about 15 per cent. He added that it was probable that prices would remain at about this

Representative Huddleston, of Alabama, led the Democratic insurgency on the resolution from the Administration on the resolution. He called upon his fellow Democrats in the House to join him in "refusing to permit the Administration to scuttle the Democratic party through its treaty policy."

Of the eighteen Democrats who voted for the resolution, eleven were from New York and three from Massachusetts. The eighteen were Representatives from Ashbrook, Ohio; Caldwell, New York; Cleveland, New York; Dooley, New York; Evans, Nevada; Gallatin, Massachusetts; Gannett, New York; Goldthorpe, New York; Hamill, New Jersey; Huddleston, Alabama; McKinny, New York; McLane, Pennsylvania; Mahoney, New York; Mead, New York; O'Connor, New York; Olin, New York; Sullivan, New York; and Tague, Massachusetts.

Representatives Fuller, of Massachusetts, and Kelley, of Michigan, Republican, voted against the peace measure.

Two hours of debate preceded the vote on the resolution. In calling it up on the resolution, Representative Van Dine, chairman of the Foreign Affairs Committee, urged acceptance of the

tain the Administration's borrowing policy for a long time after the armistice gave rise to excessive speculation during the year following the close of the war. The further the war expansion, weakened still more our gold reserve position and needlessly delayed the time of return to more stable economic conditions. It is in no small degree responsible for the widespread feeling of monetary instability which at present pervades our economic life."

The sub-committee on regulation of commerce and industry, in another report, declared "there seems to be little doubt that public private ownership of regulation of public utilities" and that "for the most part other classes of business should be subjected to little or no regulation." Federal incorporation or license of interstate business and interference of Federal over state regulatory bodies, where there is a conflict, were

"This is a sane and normal movement toward sane and normal conditions," Mr. Saks said. "The general reduction at the present represents approximately the amount of the inflation in certain lines. Prices are not going to come down just because people want them to come down. The real remedy lies in more production. I think this tendency toward reducing the inflation is just one of the signs that the war emotionalism which sent us all up in ice clouds is passing.

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approved. "Option seems clear," the report said, "that any increase in equipment and in output in any line of business which is accompanied by a tendency toward monopoly calls for a considerable amount of regulation, but that a mere increase in physical equipment and in volume of output with no tendency toward monopoly does not call for regulation."

"It is also held that a combination of units, formerly under separate control, may be subject to regulation."

It is evident that we are returning back to earth. Honest work, production, and consequently more competition, will result in a permanent reduction of prices, which may amount to an average of 3 per cent.

Garvan's View Different

This view is opposed by Assistant Attorney General Garvan, who insisted yesterday that the real reason for price reductions was the fact that many people refuse to buy goods priced exorbitantly, plus the unexpected action of the Department of Justice's profiteering squad.

Mr. Garvan said the general reductions had been caused by a fear that the government agents might treat the storekeepers to a fine if they did not reduce the prices. He added that the reductions already announced merely indicated the extent to which the profiteering had been rampant in the retail trade.

The Assistant Attorney General charged that the Retail Drygoods Association was carrying on a vigorous campaign for the Knox peace resolution, in the hope that the war powers

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A shout of warning came from the automobile. A patrolman had been sighted, coming on the run. The two men on the sidewalk left their victims and jumped into the car. It sped away while the patrolman was forcing his way through the crowd. He fired two shots at the vanishing automobile. One of the shots hit the car and twice it returned in return. Then the car swung into Eighth Avenue and vanished.

Beyer was taken to the office of a physician, who dressed his scalp wounds. Then he took the money to

ment or in output, the combination being formed for some other purpose than monopoly, does not call for any considerable amount of regulation. Moreover, mere size does not seem to be the occasion for regulation."

Tammany Frames Fight On Hyland's Re-election

Battle to Start With Opening of Legislature in 1921; Wig- wam Up in Arms

ALBANY, May 21.—Tammany's battle against Mayor Hyland's aspirations to be re-elected next year is expected to be waged with vigor as soon as the 1921 legislative session opens. The representatives of the Tammany caucus in the legislature are expected to go into the fight in arms against Mayor Hyland because he vetoed several of their pet patronage bills. This included measures establishing a reward fund for police and county officials, employees of the Street Cleaning Department and members of the city health department's staff.

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Tammany Frames Fight On Hylan's Re-election

10,000 Will Sail For Europe To-day

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Mr. Garvan said the general reduction in prices was caused by a fear that the government agents might "beat the storekeeper to it," and he added that the reductions already announced would be extended to the extent to which gross profiteering had been rampant in the retail trade.

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"No," wailed the sergeant. "Why did they let him come over here if he was as bad as all that? I am not going to say anything but I eluded the boys." Major Hunt, commanding officer at Fort Jay."

Hergdill refused to answer the draft call in 1917. Although hunted steadily by the military police, he obtained his discharge on August 14, 1919, when he was said to have made a flying visit at his mother's home. A week later he was ambushed there by Federal agents and taken into custody, where he eluded the police and escaped. In September he was heard of in Dayton, Ohio, but it was not until January 7 of this year that he

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Eight Transatlantic Liners Will Carry Capacity Loads of Travelers

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